gold when they know that they can get currency or get gold when required. . . . America no longer believes a financial panic possible, and therefore the business men, being perfectly assured as to the stability of credits, do not hesitate to enter manufacturing and commercial enterprises from which they would be deterred under old conditions of unstable credit." Well, let us hope the Senator is right and that America is right in believing that a financial panic is no longer possible there. But one cannot help feeling that such a belief may be rather dangerous in the minds of people so ready to take rose-coloured views as our American cousins. The Federal Reserve system has worked beautifully in a period in which American finance has had nothing to do but rake in the enormous profits of American production at the expense of warring Europe and lend part of them, to be spent in America, to the Allied belligerents. It may work equally well if and when the problem to be faced is different, but it will be interesting to see—for those of us who live to see—what sort of a tax will be needed to "require" America, in one of its holiday moods, to return currency that it thinks it needs and the Federal Reserve Board regards as redundant."

Another point on which Sir Edward lays great stress, in his attack on the Bank Act of 1844 and

the Committee which supports its main principles,
is the beauty of the bill of exchange as backing for
a note issue, as opposed to Government securities.
" There is," he says, " no automatic system for the
redemption of currency notes as would be the case